

~~CONFIDENTIAL~~ S/TD20th March, 1959.COCOM Document No. 3416.61/4COORDINATING COMMITTEERECORD OF DISCUSSIONONITEM 1661 - NICKEL

4265138

69(2)
5. General16th, 18th and 19th March, 1959.

Present: Belgium(Luxembourg), Canada, Denmark, France, Germany, Italy, Japan, Netherlands, Turkey, United Kingdom, United States.

References: COCOM Documents 3016.00/4, 3016.61/1 and 2, 3416.00/1, 2 and 3, 3416.61/1, 2 and 3, COCOM Sub-C(58) 6 and 8; Metals and Alloys Working Paper 29.

1. The UNITED STATES Delegate referred to the new definition for Item 1661(b)(1) proposed by the United Kingdom Delegation and said that he could accept the wording set out in paragraph 2 of COCOM Document No. 3416.61/3 which excluded rod, tape and strip, on the understanding that what was excluded from List I would be placed on the Watch List.
2. The Delegate confirmed that on the United Kingdom proposal for Item 1661(b)(2), his Delegation thought that the addition of the phrase "of the 'Monel' type" was a useful clarification and stated that, with this amendment, they could now agree to the wording for (b)(2) set out in paragraph 5 of the United Kingdom Memorandum 3416.61/2 - i.e. with the original figure of 6%. They would like what was excluded from that text to be placed on the Watch List.
3. The UNITED KINGDOM Delegate expressed his own and his expert's appreciation of the attendance of a United States expert at the current discussions. This had enabled good progress to be made. He hoped that the divergence of views as between 6% and 10% could also be resolved satisfactorily without delay.
4. The UNITED STATES Delegate expressed the view that his instructions on that point were unlikely to be changed in the near future. He therefore hoped that the debate on Item 1661(b) could be finalised at the present juncture.
5. The GERMAN Delegate voiced a similar hope and expressed appreciation of the spirit of compromise shown by the United States Delegation.
6. The FRENCH Delegate also paid tribute to the United States Delegation. He stated that he could accept the United Kingdom proposal, with either 6% or 10%.
7. In response to the Chairman's query as to whether other Delegations had difficulty as between 6% and 10%, the CANADIAN and ITALIAN Delegates stated that their authorities' approval had been on the basis of 6%. Both Delegates believed, however, that either 6% or 10% would be acceptable.
8. In summing up, the CHAIRMAN said that there was general agreement on the United Kingdom original proposal and on all their amendments except for the change from 6% to 10%; on that point the Committee awaited the outcome of negotiations between the United Kingdom and the United States

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and hoped for a solution before the Easter Recess. He recalled that the United States Delegation had proposed that what was excluded from the List I definition should be placed on the Watch List.

9. On the 18th March the UNITED KINGDOM Delegate said that his authorities appreciated the United States efforts to meet the United Kingdom position on Item 1661(b). The reason why they had suggested increasing the cut-off in sub-paragraph (b)(2) from 6% to 10% was to achieve a more complete and uniform coverage of the "Monel" type alloys and to assist in clarifying the ground for agreement on other outstanding matters. At the moment, however, his authorities would not press for the cut-off figure of 10% and would accept the following text:

- "(b) Nickel base alloys (other than alloys covered by Items 1631 or 1635) containing 32% or more nickel, except:
- (1) electrical resistance materials, as follows: wire, rod, tape and strip;
 - (2) nickel-copper alloys (of the "Monel" type) containing not more than 6% of other alloying elements.

(NOTE: It is not the intention to cover those magnetic materials not covered by Item 1631.)"

10. The COMMITTEE accepted the above text, and agreed that the balance should be placed on the Watch List.

11. On the 19th March the Committee AGREED upon the undernoted definitions for Items 1661 and 4661, which would come into force on the 15th April if none of the Member Governments had raised an objection before that date.

1661 Nickel, as follows:

- (a) Raw materials;
(See Interpretative Note No. 6.)
 - (b) Nickel base alloys (other than alloys covered by Items 1631 or 1635) containing 32% or more nickel, except:
 - (i) electrical resistance materials, as follows: wire, rod, tape and strip;
 - (ii) nickel-copper alloys (of the "Monel" type) containing not more than 6% of other alloying elements;
 - (c) Scrap forms of the alloys covered under (b) above.
- (NOTE: It is not the intention to cover those magnetic materials not covered by Item 1631.)
(See also Item 4661.)

4661 Nickel, as follows:

- (a) Metal and nickel-based alloys, n.c.s.;
(See Interpretative Note No. 6.)
- (b) Scrap forms of the metals and alloys covered under (a) above.
(See also Item 1661.)

(NOTE: The purpose of secondary control over this item is to regulate the flow of nickel to countries of the Sino-Soviet Bloc so as to

- (1) discourage expansion of satellite refining capacity;
- (2) to prevent stock piling by the U.S.S.R.

To this end particular attention should be paid to the nickel: steel ratio obtaining in the U.S.S.R., as the upper limit of acceptable nickel requirements for the satellites.

It is tentatively agreed that a rate of flow not exceeding 1,000 tons a month to countries of the Sino-Soviet Bloc is consistent with the foregoing criteria. If the rate of flow begins to exceed significantly the figure of 1,000 tons per month, it is agreed that there will be immediate consultation regarding the reinstitution of controls.